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March 1, 2006

VIA HAND-DELIVERY

Charles L.A. Terreni
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: **Docket No. 2006-63-E: Application of Lockhart Power Company Requesting that the Meter-Testing Requirement as Set Forth in Commission Reg. 103-370 Be Waived During this Remaining 3-Year Meter Replacement Period**

Dear Mr. Terreni,

This is to inform the Public Service Commission ("Commission") that the Office of Regulatory Staff ("ORS") has reviewed the above referenced filing. Based on the information provided, ORS does not have an objection to Lockhart Power Company's ("Company") request to waive the meter-testing requirement as set forth in Commission Regulation 103-370 during the remaining 3 years of the Company's meter replacement strategy. ORS understands the Company's request to be advantageous to the Company as well as the ratepayer by alleviating the \$117,650 cost to field test the remaining meters scheduled for replacement. Also, the Company's approach continues to afford the ratepayer the required assurances by testing all new meters being placed into service and testing all existing meters being retired from service. All accounts where meters test greater than 2% will be corrected.

If approved, ORS herein requests the Company to provide its 3 year schedule of meter replacement activity and update the Commission and ORS, annually, on its progress. ORS also requests the Company submit its "Sample Meter Testing Plan" to the Commission on or before December 31, 2008 to assure future compliance with Commission Regulation 103-370.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,


John W. Flitter

JWF/sh

cc: Dan F. Arnett, Chief of Staff, SC ORS
Florence Belser, General Counsel, SC ORS
Dr. James Spearman, Executive Assistant to SC PSC
F. David Butler, Esquire, SC PSC
Leslie S. Anderson, General Manager, Lockhart Power Company

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